

NEWS RELEASE

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Separate Cases Allege Financial Fraud of Elderly Victims

Peoria, IL - Jan Paul Miller, United States Attorney for the Central District of Illinois, was joined by law enforcement officials today in announcing criminal charges against two individuals charged in unrelated cases with defrauding elderly victims and their estates. Agencies participating in the investigation and prosecution of the cases include the Internal Revenue Service Criminal Investigation Division, Chicago Field Office; the U.S. Postal Inspection Service; the Federal Bureau of Investigation, Springfield Division; Illinois State Police; and the Illinois Attorney General's Office.

In one case, the federal grand jury in Peoria has returned a 12-count indictment charging Jack D. Frame, age 62, of Elmwood, Illinois, with using his position as an insurance agent and investment advisor to defraud an elderly Canton, Illinois woman and her heirs of more than \$900,000. In an unrelated case, the U.S. Attorney's Office has filed an information charging Tracy L. Doty, age 30, of Morton, Illinois, with defrauding an elderly relative and her estate of approximately \$90,000.

U.S. Attorney Miller said, "Crimes that target the elderly are especially grievous. Someone works their entire life to support themselves and their family, to put aside money for retirement, and to leave something to their children and grandchildren when they're gone - only to have that lifetime of savings stolen away. Our parents and grandparents deserve to be protected from these types of schemes and individuals who profit from these schemes deserve to be prosecuted and jailed."

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“Financial exploitation of the elderly is a devastating and terrible crime,” Illinois Attorney General Lisa Madigan said. “We are pleased to be working closely with United States Attorney Jan Paul Miller and to be sending a clear signal that these crimes will be prosecuted to the fullest extent of the law.”

The indictment against Frame, returned last week, alleges that he had been the financial advisor for the elderly woman and her husband, and continued to serve as the woman’s advisor after the death of her husband in 1990. In or about 1999, the woman’s physical and mental health allegedly declined. Prior to her death in July 2004, her mental condition had deteriorated from “easily confused” to dementia to incompetence due to Alzheimer’s disease, as alleged in the indictment.

The indictment alleges that beginning in 1999 and continuing to 2000, as the victim’s physical and mental health declined, Frame withdrew more than \$900,000 from annuity accounts he had sold the woman to benefit herself and three heirs. The indictment alleges Frame deposited the funds in his own bank accounts and used some of the money to buy annuities in his name.

To carry out the scheme to defraud, the indictment alleges that, without the victims’ knowledge, Frame submitted change of address forms which directed the companies to send correspondence and checks to his address. Further, Frame allegedly forged the victims’ signatures on annuity checks and on requests to liquidate the victims’ annuities.

The indictment charges Frame with seven counts of mail fraud and four counts of money laundering. The indictment also seeks the criminal forfeiture of property derived from proceeds as a result of the criminal offenses charged. The U.S. District Clerk will issue a summons for Frame to appear in federal court in Peoria at a date to be determined by the court.

If convicted, the maximum statutory penalty for each count of mail fraud is five years imprisonment and a fine of \$250,000. For the offense of money laundering, the maximum statutory penalty is 10 years imprisonment and a fine of \$250,000. In addition, the defendant may be ordered to pay restitution to the victims of the offenses.

The charges against Frame are the result of an investigation by the Internal Revenue Service's Criminal Investigation Division and the U.S. Postal Inspection Service. The case is being prosecuted by Assistant U.S. Attorney Tate Chambers and Special Assistant U.S. Attorney Dan Carter of the Illinois Attorney General's Office.

The information charging Tracy Doty with one count of wire fraud was filed in U.S. District Court on Tuesday, June 21, 2005. The information alleges Doty defrauded an elderly relative and her estate in a scheme which began in 2001 and continued to October 2002.

The information alleges that in 1996, Doty's great aunt and uncle moved to Heartland Home Health Care Nursing Home in Henry, Illinois, where Doty was employed as a nurse's aide and later part-time as a registered nurse. In March 1998, the information alleges Doty's aunt executed a Power of Attorney giving Doty power to manage her aunt's property. Doty's aunt had assumed responsibility for paying the couple's bills after her husband suffered a stroke in 1996, according to the information.

The information alleges it was part of the scheme to defraud that in 2001, Doty closed her aunt's checking account and used the money to open a new checking account at another bank. Doty allegedly received her aunt's social security checks, pension payments, and other financial records at her home. The information alleges Doty used funds from her aunt's account to pay her personal credit card bills, for monetary gifts to family members, to fund vacations and for other personal expenses.

In June 2000, Doty's great uncle died, and her aunt's physical and mental health deteriorated until, by early 2001, the information alleges, she was diagnosed with dementia. In February 2002, Doty quit her job at Heartland and allegedly stopped paying her aunt's nursing home bill when due. In September 2002, Doty's aunt died.

If convicted, the maximum statutory penalty for the offense of wire fraud is 20 years imprisonment and a fine of \$250,000. The defendant may also be ordered to pay restitution to the victims of the offense. Doty is scheduled to appear in federal court in Peoria on August 19, 2005, at 9:30 a.m.

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The charge against Doty is the result of an investigation by the Illinois State Police and the Federal Bureau of Investigation.. The case is being prosecuted by Assistant U.S. Attorney Darilynn J. Knauss.

Members of the public are reminded that an indictment and an information are merely accusations; the defendants are presumed innocent unless proven guilty.

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